

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Workforce Services
Housing and Community Development Division
Salt Lake City, Utah

Minutes

Thursday, November 3, 2016

Members Present

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| Keith Heaton | Chairman |
| David Damschen | State Treasurer |
| Bruce Adams | Southeastern Utah Association of Local Governments |
| Steve Farrell | State Board of Water Resources |
| Jae Potter | Carbon County |
| Gregg Galecki | State Board of Water Quality |
| Jim Matson | Five County Association of Governments |
| Naghi Zeenati | State Transportation Commission |
| Garth "Tooter" Ogden | Six County Association of Governments |
| Michael McKee | Uintah County |

Excused Members

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| Ron Winterton | Uintah Basin Association of Governments |
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Staff and Visitors

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| Jonathan Hardy | Housing and Community Development |
| Candace Powers | Housing and Community Development |
| Gayle Gardner | Housing and Community Development |
| Shad West | Housing and Community Development |
| Jennifer Domenici | Housing and Community Development |
| Brenda Brown | Housing and Community Development |
| Kimberley Schmeling | Housing and Community Development |
| Kyle Slaughter | Housing and Community Development |
| Flint Timmons | Housing and Community Development |
| Paul Moberly | Housing and Community Development |
| Susan Eisenman | Attorney General's Office |
| Kevin Yack | Uintah Basin Association of Governments |
| Merrial Johansen | Johansen & Tuttle Engineering |
| Dave Sakrison | Moab City |
| Debbie Hatt | Southeastern Utah Association of Local Governments |
| Cecilia Johnson | Town of Brian Head |
| Amy Weiser | Moab City |
| John Zilles | Roosevelt City |
| Byron Colton | Horrocks Engineers |
| Mike Bynum | San Juan Special Service District |
| David Everitt | Moab City |
| Troy Rohrer | Roosevelt City |
| Keith Despain | CRS Engineers |
| Ben Musselman | San Juan County |
| Ed Chavez | Helper City |
| Trent Anderson | Helper City |

Howard Harding
Ryan Snow
Jacob Sharp
Michael Bryant
Steve Hawks
Troy Herold
Mary McGann
Jaylyn Hawks
John Christensen
Elizabeth Tubbs
Kelly Pehrson
John Mackey
Beth Wondimu
Bret Howser

Roosevelt City
Roosevelt City
Castle Valley Special Service District
Southeastern Utah Association of Local Governments
Utah State University
SITLA
Grand County
Grand County
Mayfield Town
Grand County
San Juan County
Division of Water Quality
Division of Water Quality
Town of Brian Head

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held Thursday, November 3, 2016, at the Red Cliffs Lodge, Mile Post 14, Highway 128, Moab, Utah and was called to order at 8:30 a.m. by Chairman Keith Heaton.

Mayor David Sakrison welcomed the Permanent Community Impact Board to Moab.

Chairman Keith Heaton acknowledged Kimberley Schmeling's contribution to the Board and expressed appreciation for over 20 years of financial assistance to the Housing and Community Development Division and the Community Impact Board. Kimberley has accepted a position with the Attorney General's Office. The Board expressed their appreciation to Kimberley.

Commissioner Mike McKee indicated that Commissioner Ron Winterton was excused from today's meeting to receive an award from the World Trade Center. The Board expressed their congratulations.

ADMINISTRATIVE ITEMS

Financial Review

Candace Powers reviewed the status of the funds for today's meeting. There are eight new projects, one Supplemental Request and one Special Consideration project on today's agenda. It was indicated that the Six County Infrastructure Coalition request and the Wellington City supplemental request would be postponed until a subsequent meeting per the applicants' request.

Chairman Heaton referred to the status of available funding and again suggested that the Board and applicants consider project funding as a loan to continue the revolving nature of the Mineral Lease fund.

I. INTRODUCTIONS

Chairman Heaton welcomed everyone and asked the Board members and staff to give introductions.

II. APPROVAL OF MINUTES

Chairman Heaton requested a motion to approve the minutes from the October 6, 2016 meeting.

David Damschen made and Naghi Zeenati seconded a motion to approve the minutes of the October 6, 2016 meeting as corrected. The motion carried unanimously.

III. NEW PROJECTS

1. Helper City (Carbon County)

Helper City presented a funding assistance request for a \$20,000 grant to purchase a police vehicle with a 4 door all-wheel drive Ford. The applicant is contributing \$15,000 cash.

The applicant indicated that one of their patrol cars was totaled. They have received an insurance settlement of \$15,000, but require assistance to cover the cost of a new vehicle. The applicant is requesting approval at today's meeting.

The Board expressed concern that the funding was insufficient to cover an equipped police vehicle.

The applicant indicated that the equipment from the damaged vehicle would be transferred to the new vehicle.

The Board recommended the applicant build a replacement fund to cover future vehicles.

Jae Potter made and Gregg Galecki seconded a motion to suspend the rules and fund the project as a \$20,000 grant. The motion carried unanimously.

2. Moab City (Grand County)

Moab City presented a funding assistance request for a \$1,453,241 grant to develop new infrastructure including roads, utilities, storm water management and street lighting from Highway 191 and Millcreek Drive for 1,952 linear feet across private property, SITLA property, and 100 feet onto USU property all within the City of Moab to prepare for a higher education campus, affordable housing and commercial development. The applicant is contributing \$450,000 cash.

The applicant stated this is a much anticipated project with many partners and multiple phases.

The Board acknowledged the value of education projects and then asked about the other funding for this project.

The applicant stated the City of Moab and Grand County have contributed \$975,000. A master plan for housing has also been done.

The Board expressed concern about high engineering costs and encouraged the applicant to watch those costs and asked about plans for buildings.

The applicant indicated that USU has been active in developing the campus which is estimated to be an \$8,000,000 project and UDOT has been involved in the process. The housing will be primarily student housing.

The Board asked if the applicant had spoken to the Division of Water Quality.

The applicant indicated that CIB is their first contact for funding.

Gregg Galecki made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$1,089,000 loan for 20 years at 2.5% interest and a \$364,241 grant (total \$1,453,241).

After a Board discussion concerning new money and loan repayments, a substitute motion was made.

Michael McKee made and Bruce Adams seconded a substitute motion placing the project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$581,000 loan for 20 years at 2.5% interest and an \$872,241 grant (total \$1,453,241).

The Board discussed fund balances, diminishing returns and the utilization of Infrastructure funds. Discussion included new Mineral Lease funds, Throughput Infrastructure accommodation, UDOT funding and sequestration. It was further suggested that if an applicant is able to take a loan, it is prudent to provide a loan to sustain this funding resource but that the Board would seek to provide funding in support of the needs of the communities.

Kimberley Schmeling stated that for many fiscally conservative years, even when the revenue was high, the grant range was approximately \$40 million dollars. Recently, with diminished revenues, the grant funding has been \$65 - \$75 million dollars and suggested looking long term as to revenue coming back to this Board, big leaps in grant funding will affect the fund long term. There are cash reserves today, but may be affected in the future unless there is a returning revenue through loans.

The Board explained sequestration, which has been a 7% funding set aside by the Federal Government, but the revenue would soon be returning to the State of Utah.

The Board acknowledged the applicant's suggestion of a 50/50 funding package and a second substitute motion was made.

Naghi Zeenati made and Jae Potter seconded a second substitute motion placing this project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$726,241 grant and a \$727,000 loan for 20 years at 2.5% interest. The motion carried with Adams, Farrell, McKee, Potter, Zeenati, Ogden, and Matson in favor; and Galecki and Damschen opposed.

3. Castle Valley Special Service District (Emery County)

Castle Valley SSD presented a funding assistance request for a \$900,000 loan for 6 years at 2.5% interest and a \$619,000 grant (total \$1,519,000) for street improvements in Elmo, Cleveland, Huntington, Clawson, and Emery; drainage improvements in Elmo, Huntington, Cleveland, Castle Dale, Ferron, Emery and Clawson; and to replace water and sewer lines in Orangeville.

The applicant indicated that District voters approved a \$12.5 million general obligation bond in November 2009 to utilize in funding District projects. The District comes to the Board with an annual, affordable request for projects within the District. They seek to keep loan payments level. The remaining balance from that bond election will hopefully cover District projects for the next two years. The next bond election is expected in 2019.

The Board suggested a 75% loan and 25% grant with a term extension to 10 years.

The applicant indicated they may be able to accommodate a 75/25 mix with an interest rate of 1.5% but would need to review the funding with their Board.

The Board stated that the concern was to keep revenue returning to the fund. A reference was made to the loan tool within the packet. It was suggested that making loans more affordable with 1.5% interest could increase the ability of applicants to afford loans.

Garth Ogden made and David Damschen seconded a motion placing the project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$1,519,000 loan for 10 years at 1.5% interest.

After further discussion a substitute motion was made.

Mike McKee made and Bruce Adams seconded a substitute motion placing the project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$200,000 grant and \$1,319,000 loan for 10 years at 1.5% interest (total \$1,519,000). The motion failed with Adams, McKee, Zeenati, Matson, and Ogden in favor; and Galecki, Farrell, Potter and Damschen opposed.

The Chairman called the question on the original motion.

Garth Ogden made and David Damschen seconded the original a motion placing the project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$1,519,000 loan for 10 years at 1.5% interest. The motion carried with Galecki, Ogden, Damschen, Potter, McKee, Zeenati and Farrell in favor; and Adams and Matson opposed.

4. San Juan Spanish Valley Water & Sewer Special Service District (San Juan County)

San Juan Spanish Valley WSSSD presented a funding assistance request for a \$500,000 loan for 30 years at 0.0% interest and a \$2,000,000 grant (total \$2,500,000) for constructing approximately 44,000 linear feet of 8-inch gravity sewer lines and 145 manholes for sewage collection, as well as 4,800 linear feet of 8-inch interceptor sewer to transfer the wastewater to the Grand Water & Sewer Service Agency (GWSSA). The wastewater will be conveyed to Moab City's new wastewater treatment system for treatment and disposal.

The applicant stated that the Division of Water Quality has authorized a \$986,000 loan for 30 years at 0.0% interest and a \$1,547,000 grant. The \$700,000 indicated in the application is a loan from San Juan County to assist in affordability. They are requesting 50% from the CIB. An 80/20 split between grant and loan will help home owners be able to afford their water source. Moab City, Grand County and San Juan County are working together on this project. DWQ has provided a revised cost model showing a similar funding package but the actual hookups are 230 at this time.

The Board suggested the loan bear an interest rate to enable funding to be provided from the Bonus fund.

Michael McKee made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$500,000 loan for 30 years at 2.5% interest and a \$2,000,000 grant (total \$2,500,000).

Water Quality indicated that a graduated scale is utilized to accommodate loan repayment increases as a community grows to accommodate affordability. After further discussion a substitute motion was made.

David Damschen made and Gregg Galecki seconded a substitute motion placing the project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$750,000 loan for 30 years at 0.0% interest and a \$1,750,000 grant (total 2,500,000).

The Board suggested an interest bearing loan and DWQ spoke to the review of funding options. Utilizing the Mineral Lease fund in providing loans would assist in sustaining the flexibility of funding as grants can only be provided from the Mineral Lease fund. Loans are repaid to the account from which they are funded.

The Chairman called the question.

David Damschen made and Gregg Galecki seconded a substitute motion placing the project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$750,000 loan for 30 years at 0.0% interest and a \$1,750,000 grant (total 2,500,000). The motion carried with Mike McKee abstaining.

5. Town of Mayfield (Sanpete County)

The Town of Mayfield presented a funding assistance request for a \$15,000 grant to update a general plan that includes housing, land-use, infrastructure and transportation elements. The applicant is contributing \$15,000 cash.

The applicant stated that in the last few years Mayfield has experienced growth. Zoning changes are needed.

Jim Matson made and Steve Farrell seconded a motion placing this project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$15,000 grant. The motion carried with Mike McKee abstaining.

6. Town of Brian Head (Iron County)

The Town of Brian Head presented a funding assistance request for a \$27,500 grant to develop a storm drain master plan that will identify problem areas, a comprehensive flow control plan, define drainage design criteria and specifications, and identify best management practices used in environmental control. The applicant is contributing \$27,500 cash.

The applicant indicated that Brian Head Town lacks a comprehensive storm water drainage system. A Storm Drain Master Plan will allow the town to identify problem areas, map the drainage water flow and define how best to control and direct flow.

The Board asked the applicant how they would fund implementation of the plan.

The applicant indicated the Town has been able to accommodate \$200,000 and they would continue to budget for the project. Brian Head Town Council has adopted a capital project funding plan that involves saving for projects from year to year.

Steve Farrell made and Garth Ogden seconded a motion placing this project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$27,500 grant. The motion carried unanimously.

7. Hurricane City (Washington County)

Hurricane City presented a funding assistance request for a \$50,000 grant to update a transportation master plan that is centered on active transportation. The City's trails master plan

will be updated and integrated into the transportation master plan. The transportation master plan will include automobile, public transit, cycling, and pedestrian travel. The applicant is contributing \$4,000 cash. Dixie MPO is providing \$50,000 cash.

The applicant indicated that the increased growth pressure over the past 10 years has resulted in new subdivisions and the construction of new roads. Transportation planning will provide guidance and direction. Hurricane City has an existing trails master plan that will be updated and integrated into the transportation plan. The City's goal is to address planning for all modes of travel, including automobile, public transit, cycling and pedestrian and they have been working with the two state parks in their area on the trails plan and have secured funding from the parks for trail construction.

The Board discussed the project and funding.

Naghi Zeenati made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$50,000 grant. The motion carried with Jae Potter opposed.

8. Six County Infrastructure Coalition (Daggett, Duchesne, Uintah, Carbon, Emery, San Juan Counties)

Six County Infrastructure Coalition submitted an application for a \$100,000 grant for the rehabilitation of the Browns Park Swinging Bridge in Colorado by replacing 62 suspender cables with hardware, 3,200 square feet of deck stingers, 22,000 LB steel beams, 440 square feet of guardrail, 1,280 square feet of deck wear surface, 2,240 square feet of Pedrail Fencing and minor superstructure items.

The applicant requested that discussion of this project be postponed.

IV. SUPPLEMENTAL FUNDING

1. Wellington City (Carbon County)

On 2/5/2015 Wellington City's funding request was authorized for final funding as a \$151,000 grant for restoring the 50' tall 41' diameter 500,000 gallon Wellington City water tank to include applying 9,080 square feet of interior coating and 7,760 square feet of exterior coating and installing an electronic SCADA system to read the water capacity in the tank. The applicant is contributing \$10,000.

On 9/21/2016 the Community Impact Board staff was contacted by the applicant requesting time during the November 3, 2016 meeting to discuss supplemental funding for the Wellington City water tank repair. Approximately \$72,000 is remaining of the original funding

The applicant requested that discussion of this project be postponed.

IV. SPECIAL CONSIDERATION

The Chairman called for a motion to hear this request.

Gregg Galecki made and Steve Farrell seconded a motion to hear this project. The motion carried unanimously.

1. Roosevelt City (Duchesne County)

On 10/4/2012 Roosevelt City presented a funding assistance request for a \$500,000 loan for 15 years at 0.0% interest and a \$4,850,000 grant (total \$5,350,000) to design and construct

approximately 25,800 linear feet of 24" C905 PVC waterline beginning at the corner of SR-121 in Neola, Utah and traveling east approximately three miles, north approximately 1.9 miles and ending at Roosevelt City's 300,000 gallon storage tank and Hayden Well field.

The applicant worked with Michael Georgeson and the Division of Water Quality, and has submitted a revised assessment for this project, revising the MAGI number.

In discussion the applicant was advised to work with the Neola Sewer and Water District when replacing the waterline.

Claudia Jarrett made and Michael McKee seconded a motion to fund this request as a \$500,000 loan for 15 years at 0.0% interest and a \$4,850,000 grant (total \$5,350,000), contingent upon the applicant working with the Neola Sewer and Water District when replacing the waterline. The motion carried unanimously.

On 11/03/2016 the applicant requested time during the November 3, 2016 Community Impact Board meeting to discuss a change of scope from the original Neola water system project utilizing the remaining funding balance of \$330,817.54 by adding the West Cove Tank Waterline Project to the Neola Hayden Waterline project.

The applicant stated that while at a different location, the function of the West Cove Tank project will serve a similar purpose as the Neola Hayden Waterline project and indicated that in 2013 they did not have a location for a second tank so the West Cove Waterline project was not included in the Neola Hayden Waterline project.

The applicant stated that the Victory Pipeline water distribution agreement indicates that Roosevelt City will be charged for water from the Victory Pipeline whether they have a tank to put it in or not.

The Board discussed the request to utilize the remaining funds for the stated purpose.

Michael McKee made and Steve Farrell seconded a motion to approve Roosevelt City's request to use the remaining Neola Hayden Waterline Project funding for the West Cove Tank Waterline Project with the requirement of providing a bid and a description for the new scope of work. The motion carried unanimously.

V. BOARD MEMBER DISCUSSION

1. Electronic Board Packet Discussion & iLegislate Program

The CIB staff has been looking at alternatives for Board packets/materials. The iLegislate product was discussed. iLegislate is a government- specific paperless agenda and annotation application which enables groups to review meeting agendas, supporting documents, and archived information electronically.

Naghi Zeenati indicated that UDOT uses this system and demonstrated some of the iLegislate functions to the Board. It was indicated that software is created specifically for each type of Board and its functions.

The Board concurred with the pursuit of digitization. The CIB staff has received an estimated cost from the provider. Kimberley Schmeling stated there are administrative funds to pay for a license. Procurement processes will need to be followed and Naghi Zeenati will work with staff on the RFI.

2. Professional Service Expense & Applicant Responsibility (Professional services include lawyers, advertising professionals, architects, accountants, financial advisers, engineers, and consultants, or any organization or profession that offers customized, knowledge-based services to clients.)

It was suggested that possibly engineering and/or professional services could be covered by the applicant when funding is issued as a grant. The Board will continue to review excessive professional expenses.

VI. ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be on Thursday, December 8, 2016 at the Housing and Community Development Offices, 1385 South State, Salt Lake City, Utah.

The meeting adjourned at 11:45 a.m.

Submitted by:
Jennifer Domenici